

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400352992

Date Received:

12/07/2012

PluggingBond SuretyID

20120060

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

3. Name of Operator: PRONGHORN OPERATING LLC

4. COGCC Operator Number: 10422

5. Address: 8400 E PRENTICE AVENUE #1000

City: GREENWOOD VILLAGE State: CO Zip: 80111

6. Contact Name: Jacob Flora Phone: (720)988-5375 Fax: ()

Email: jakeflora@kfrcorp.com

7. Well Name: Shady Lady Well Number: 1

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 5000

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 36 Twp: 12S Rng: 46W Meridian: 6

Latitude: 38.964500 Longitude: -102.502320

Footage at Surface: 1492 feet FNL/FSL FNL 369 feet FEL/FWL FEL

11. Field Name: _____ Field Number: _____

12. Ground Elevation: 4466 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 10/17/2012 PDOP Reading: 3.1 Instrument Operator's Name: Keith Westfall

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: _____ FNL/FSL _____ FEL/FWL _____ Bottom Hole: _____ FNL/FSL _____ FEL/FWL _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 350 ft

18. Distance to nearest property line: 369 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 845 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
LANSING	LNSNG		40	
TOPEKA	TOPK		40	

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#:

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

ALL, Section 36, 12S, 46W, 6th PM

25. Distance to Nearest Mineral Lease Line: 369 ft

26. Total Acres in Lease: 640

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: DRY & BURY

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	450	300	450	0
1ST	7+7/8	5+1/2	15.5	0	5,000	200	5,000	3,800
			Stage Tool		3,000	250	3,000	1,500

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments No conductor casing will be used.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Jacob Flora

Title: Petroleum Engineer Date: 12/7/2012 Email: jakeflora@kfrcorp.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: Matthew Lee Director of COGCC Date: 12/31/2012

API NUMBER

05 017 07736 00

Permit Number: _____ Expiration Date: 12/30/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

- 1) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) If production casing is set provide cement coverage from TD to at least 200' above SHWNE. Cement across Cheyenne/Dakota aquifers (minimum 2850' – 2100'). Verify with CBL.
- 3) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the SHWNE, 40 sks cement +/- 50' above any DST w/ show, 40 sks cement at 2850' up, 40 sks cement at 2100' up, 50 sks cement from 50' below surface casing shoe up into surface casing, 10 sks cement in top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
2518112	EXCEPTION LOC REQUEST
2518113	WAIVERS
2518114	CONSULT NOTICE
2518115	UNIT CONFIGURATION MAP
2544871	SURFACE CASING CHECK
400352992	FORM 2 SUBMITTED
400353162	PLAT
400353163	TOPO MAP
400353164	MINERAL LEASE MAP

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	12/27/2012 11:05:39 AM
Permit	Request for an exception location to rule 318a. was recieved and attached as were the waivers from mineral interest owners. The proposed well is less than 1200' from the Red Lady #1 on State Minerals and less than 600' from nearest lease line with Anadarko. The State Land Board and Anadarko have agreed to a communitization area of 40 acres around the well location; the boundary of the communitized area is greater than 600' from the well. A map of the communitized area is attached.	12/26/2012 8:51:33 AM
Permit	Well location from lease line and setback from another well are less than the minimum required by Rule 318a. This well is 1050 feet from the Red Lady #1 and 845 feet from the Pink Lady #1.	12/7/2012 2:28:31 PM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)